

REMARKS

In view of the foregoing amendments and following remarks, reconsideration and allowance of this patent application is earnestly solicited.

Claims 1-64 were examined and stand rejected variously under 35 U.S.C. §§101, 112, second paragraph, and 103(a) for the reasons set forth in the Office Action. Claims 44, 45, 49, 51 and 52 have been canceled herein without prejudice. Independent claims 1, 18, 33 and 50, and dependent claims 12, 14, 17, 23, 46-48 and 64 have been amended herein. New independent computer program product claim 65 and dependent claims 66-69 have been added herein to provide protection of appropriate scope. No new matter has been introduced.

Examiner's Remarks/Comments & Rejections Under 35 U.S.C. §112, Second Paragraph

The Examiner objected to claims 1, 17, 18, 33, 49 and 50 for their recitation of the words "if" and "whether", which the Examiner alleges renders associated claim limitations "optional", and rejected these claims under 35 U.S.C. §112, second paragraph, on this basis. The Examiner has required appropriate correction of these claims. In compliance with this requirement, Applicant has amended claims 1, 17, 18, 33 and 50, as well as claim 14, including by replacing the word "if" with the word "when" as appropriate, and canceled claim 49 without prejudice. No new matter has been introduced.

Additionally, the Examiner rejected claims 33-64 under the same authority by reason of the presentation of these claims as "system" claims containing "means-plus-function" language. As required by the Examiner, and in addition to canceling claims 44, 45, 49, 51 and 52 without prejudice, Applicant has amended independent claims 33 and 50 (as well as dependent claims 46-48 and 64) to remove the means-plus-function language and to otherwise address issues raised by the Examiner under 35 U.S.C. §101 discussed below.

In view of the foregoing, notice to the effect that claims 1, 17, 18, 33 and 50, and the claims variously depending therefrom, do not run afoul of 35 U.S.C. §112, second paragraph, is respectfully requested.

Rejections Under 35 U.S.C. §101

Claims 1-64 stand rejected under 35 U.S.C. §101 as being directed to non-statutory subject matter. The Examiner contends that the claimed process steps are non-corporeal for want of being tied to another statutory class, and that the claimed system elements comprise non-statutory functional descriptive material.

Applicant has amended independent method claims 1 and 18 to clarify that certain aspects of the claimed process are effected via a data processor – that is, that the claimed method is tied to a data processor. Support for these amendments reside in the application specification as filed (*see e.g.*, paragraph [0050] of the present published patent application). Accordingly, no new matter has been introduced.

The interpretation of patentable subject matter as explained by the Court of Appeals for the Federal Circuit in the recent *In re Bilski* decision, ___ F.3d ___ (Fed. Cir. 2008)(en banc) is instructive. In *In re Bilski*, the Federal Circuit spelled out the “machine-or-transformation” test as the sole test of subject matter eligibility for a claimed process:

The Supreme Court ... has enunciated a definitive test to determine whether a process claim is tailored narrowly enough to encompass only a particular application of a fundamental principle rather than to pre-empt the principle itself. A claimed process is surely patent-eligible under 35 U.S.C. §101 if: (1) it is tied to a particular machine or apparatus, or (2) it transforms a particular article into a different state or thing.

Applicant respectfully submits that the embodiments of the inventive method as claimed in amended independent claims 1 and 18 (and in claims 2-17 and 19-32 by virtue of their respective ultimate dependencies therefrom) satisfy this test and, accordingly, fit within the scope of

patentable subject matter under 35 U.S.C. §101. No abstract algorithm or fundamental principle is pre-empted. Notice to this effect is respectfully requested.

Also, it is respectfully submitted that Applicant's amendments of independent system claims 33 and 50 to recite at least one data processor adapted to effect certain system functionality define the requisite statutory interrelationship between system structure and functionality. Support for these amendments reside in the application specification as filed (*see e.g.*, paragraph [0050] of the present published patent application). Accordingly, no new matter has been introduced. Conforming amendments have been included in claims depending from amended claims 33 and 50.

Applicant respectfully submits that the embodiments of the inventive system as claimed in amended independent claims 33 and 50 (and in pending claims 34-43, 46-48, 50 and 53-64 by virtue of their respective ultimate dependencies therefrom) fit within the scope of patentable subject matter under 35 U.S.C. §101. Notice to this effect is respectfully requested.

Rejections Under 35 U.S.C. §103(a)

Claims 1-64 stand rejected under 35 U.S.C. §103(a) as being obvious over Hardesty et al. U.S. Patent Application Publication No. U.S. 2003/0078864 A1 variously in view of: (i) Storey U.S. Patent No. 5,774,870, and (ii) the webpage "PNC BANK The Thinking Behind The Money" as it apparently appeared on PNC Bank's website in December 2002. The Examiner also cites an article that apparently appeared on the website *www.frugalmarketing.com* in April 2002, for the general and non-controversial proposition that loyalty programs are generally known. For the reasons set forth below, Applicant traverses these claim rejections.

Generally speaking, the present invention is directed to embodiments of a system, method and computer program product for enhancing the value of a credit card (or other payment product) to a credit card holder and encouraging increased use of the credit card as a payment device

by rewarding the card holder based not only on qualifying purchases but on miles traveled in connection with travel ticket or other travel pass purchases. Qualifying transaction information and the data from which miles traveled can be determined are used to calculate the appropriate number of points earned by the card holder based on rules or other criteria which can reside in a database. In accordance with embodiments of the present invention, Level 3 Data can be leveraged in the calculation of miles traveled. Also, rewards redeemed by the credit card holder are not tied to a particular provider of goods or services, and rewards fulfillment can be managed through the credit card issuer or its fulfillment agent. Applicant, having invented such a new, unique and non-obvious system, method and computer program product, is therefore entitled to appropriate patent protection for the invention and contribution to the art.

In stark contrast to the embodiments of Applicant's invention as claimed in independent claims 1, 18, 33, 50 and 65, the Hardesty published application, the principal reference cited by the Examiner, is not at all concerned with, and, accordingly, nowhere describes, teaches or suggests, rewarding the holder of a credit card or the like based not only on qualifying purchases but on miles traveled in connection with travel ticket or other travel pass purchases. Indeed, the Examiner acknowledges as much in the Office Action (see, e.g., page 8). Rather, Hardesty is principally concerned with the form of reward payments to credit card users – namely, payments to trust fund accounts to encourage savings. The underlying basis for the rewards, however, is nothing more than the conventional qualifying purchase.

Neither the Storey nor PNC Bank references cited by the Examiner in combination with Hardesty overcome the severe deficiencies of Hardesty discussed above.

Storey is directed to an electronic system for effecting the redemption of rewards for conventional frequency award programs (e.g., frequent flyer programs). The Examiner relies on

Storey principally for its general mention of conventional frequency award programs in the Background of the Invention section of the Storey patent. However, what the Examiner fails to appreciate is that frequency award programs with which Storey is concerned do not translate to a credit card reward program application, let alone of the novel type under consideration. Applicant's credit card rewards program is concerned with building loyalty to the card and not to the providers of goods/services that might happen to be redeemed as a reward based on the card holder's preferences. Indeed, conventional frequent flyer programs are also mentioned in the Background of the Invention section of Applicant's patent application to highlight these benefits of Applicant's invention (see paragraph [0008]). That is, the frequency award programs noted in Storey encourage use of the goods or services of specific providers of goods or services (e.g., a particular airline) and are not at all concerned with encouraging (and do not encourage) increased use of a particular credit card issuer's card which is not tied to a specific provider of goods or services (see e.g., paragraph [0035] of Applicant's patent application) as does Applicant's claimed invention. Therefore, it is not surprising that Storey, in stark contrast to the embodiments of Applicant's invention as claimed in independent claims 1, 18, 33, 50 and 65, does not teach or suggest determining the travel distance associated with a purchased travel ticket or the like and basing credit card rewards thereon.

The foregoing deficiencies of Hardesty and Storey are also true of both the *www.frugalmarketing.com* article and PNC Bank piece cited by the Examiner in combination with Hardesty and Storey. The *www.frugalmarketing.com* article merely (and very generally) describes a basic supermarket loyalty program for rewarding loyal customers with various rewards which can include frequent flyer miles. The PNC Bank piece merely (and very generally) describes PNC Bank's reporting service options for merchants. Neither of these references teaches or suggests determining

the travel distance associated with a travel ticket or the like purchased using a credit card (let alone using Level 3 data) and basing rewards thereon as claimed in Applicant's patent application.

Notwithstanding the severe deficiencies of the PNC Bank piece as a reference on the merits, Applicant reserves the right to submit a declaration under 37 CFR 1.131 to remove the PNC Bank piece as a reference based on (i) reduction to practice of the present invention before the December 16, 2002 date of the reference, or (ii) conception of the present invention before the effective date of the reference coupled with due diligence from prior to the effective date to a subsequent reduction to practice or to the filing of the present patent application.

In view of the foregoing, Applicants respectfully submit that the references cited by the Examiner, whether taken alone or combined, do not yield, teach or suggest Applicant's invention as claimed in independent claims 1, 18, 33, 50 and 65. Notice to the effect that these claims are patentable over the cited references is earnestly solicited.

Pending claims 2-18, 19-32, 34-43, 46-48, 53-64 and 66-69 variously depend from independent claims 1, 18, 33, 50 and 65 and are patentable over Hardesty, Storey, the *www.frugalmarketing.com* article, and the PNC Bank piece for the same reasons that these independent claims are patentable over the cited references. The dependent claims are also allowable for the additional features recited therein, and notice to this effect is also respectfully requested.

The rejections of dependent claims 5, 7, 9, 14, 24, 26, 28, 31, 37, 39, 41, 46, 56, 58, 60 and 63 are specifically traversed. These claims more particularly highlight various features of Applicant's invention discussed above in connection with (and covered by) the independent claims which patentably distinguish over conventional frequency award programs and loyalty programs of the type cited by the Examiner – namely, that the inventive credit card rewards program encourages increased use of the credit card issuer's card because the rewards are not tied to any specific provider

of goods or services, and that Level 3 Data can be used to calculate miles traveled on which redeemable benefits are based.

On the basis of the foregoing amendments and these remarks, Applicant respectfully submits that this application is in form for immediate allowance. Notice to this effect is earnestly solicited. The Examiner is invited to contact Applicant's undersigned attorney at the telephone number set forth below if it will advance the prosecution of this case.

No fee is believed to be due with this Response beyond the \$490.00 fee associated with the Petition for a Two Month Extension of Time submitted herewith, and the \$220.00 fee associated with the addition of new independent claim 65 to yield four independent claims (one in excess of the initially allotted three). A check in the amount of \$710.00 is enclosed to cover these fees. Please charge any fee deficiency and credit any overpayment to Deposit Account No. 50-0540. A duplicate copy of this authorization page is attached.

Respectfully submitted,

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